



GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

FISHERIES- Conciliation and settlement of claims in the Arbitration awards Dated.26.2.1989 and 14.5.1989 as per High Court Orders Dated.12.7.2007 in the work of construction of breakwater 880 M and spur 200 M. of Fishing Harbour at Kakinada Port-Orders- Issued.

ANIMAL HUSBANDRY, DAIRY DEVELOPMENT & FISHERIES (FISH.I) DEPARTMENT

G.O.Ms.No.76

Dated. 23-7-2008.
Read the following:-

1. Hon'ble High Court of Andhra Pradesh orders dated.12.07.2007 in CMA No.1664/1990, CMA No.1331/2000, CRP No.2012/2000 and CMA No.1665 of 1990.
2. From Sri P.Venkateswara Babu, Managing Partner, International Construction Company, Kakinada, Representation, dt.30.7.2007.
3. From the Director of Ports (FAC), Kakinada Lr.No.SE/D2/2/03-04, Dated.24.10.2007.
4. G.O.Rt.No.2, Animal Husbandry, Dairy Development & Fisheries (Fish.I) Department, Dated.1.1.2008.
5. Government Memo No.4870/Fish.I(1)/2007, Dated.23.5.2008.
6. From the Director of Ports (FAC), Kakinada Lr.No.SE/D2/2/03-04, Vol.II, Dated.26.5.2008.
7. G.O.Rt.No.3119, Finance (Expdr.AHFFCS&E) Department, Dated.21.7.2008.

ORDER:

In the reference 1st read above, High Court of Andhra Pradesh, Hyderabad in CMA No.1664/1990, CMA No.1331/2000, CRP No.2012/2000 and CMA No.1665 of 1990 have directed the parties i.e. Director of Ports, Kakinada representing Government of Andhra Pradesh and M/s International Construction Company represented by its Managing Partner Sri P.Venkateswara Babu to approach the Principal Secretary to Government of the concerned department for conciliation and settlement of claims in Arbitration awards dated.26.2.1989 and 14.5.1989. The Arbitration awards are a result of the disputes and differences that arose between the Contractor and department during the execution of the work of construction of breakwater 880 M and spur 200 M to Fishing Harbour at Kakinada Port vide agreement No.HPE/4/80-81, dated.19.10.1980.

2. In the reference 2nd read above, the Managing Partner, M/s International Construction Company, Kakinada while enclosing a copy of High Court orders has requested to convene a meeting for conciliation and settlement of claims.

3. In the reference 3rd read above, the Government after receiving detailed comments from the Director of Ports, Kakinada on the representation of Managing Partner, M/s International Construction Company, Kakinada and after careful examination of the entire issue, in the reference 4th read above, have issued orders constituting a committee with the following members for conciliation of settlement of the claimants.

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|---|-----------------|
| 1. Special Chief Secretary to Government,
Animal Husbandry, Dairy Development and
Fisheries Department. | Chairman |
| 2. Secretary, Law (Legal) Department or his representative | Member |
| 3. Commissioner of Fisheries, Hyderabad | Member |
| 4. Director of Ports, Kakindada | Special Invitee |
| 5. Sri P.Venkateswara Babu
Managing Partner,
M/s International Construction Company, Kakinada. | Special invitee |

4. The Committee held meetings on 9.1.2008 and 12.3.2008 discussed the issues with the parties and the following recommendations were made.

- (i) The claims relate to the extra rubble placed by the Contractor and this extra rubble was required due to the changes made in design by the department. The department on subsequent occasions and also in other works made payment for such extra rubble. The committee therefore felt that the contractor was entitled to receive payment for the extra rubble.
- (ii) The arbitration awarded payment of interest at 12% per annum. As per agreement the interest charged by department on the loans taken by the Contractor is based on the prevailing RBI rates. The same principle when used for calculating interest on the amounts due to the contractor as per the awards and as per RBI rates applicable from time to time works out to an average of 9.7% per annum. Therefore, the committee recommended for payment of interest at 9.7% per annum along with principle amount.

5. In the reference 5th read above, the Director of Ports, Kakinada was requested to furnish the principle amount and interest payable to M/s International Construction Company, Kakinada upto 31.5.2008.

6. In the reference 6th read above, the Director of Ports, Kakinada has informed that the amount payable to the Contractor works out as follows:-

(i)	Principle amount due to the contractor	Rs.1,62,60,500-00
(ii)	Interest due to contractor upto 31.5.2008 @ 9.7% per annum on the above principle amount	Rs.3,71,85,832-00 -----
(iii)	Total amount due to the Contractor	Rs. 5,34,46,332-00 -----

7. The Director of Ports, Kakinada has requested to release the above amount through Commissioner of Fisheries, Hyderabad under Fisheries Head of Account with instructions to draw the amount and deposit to the Director of Ports for releasing payment to the Contractor, M/s International Construction Company, Kakinada.

8. The Director of Ports, Kakinada has also informed that an amount of Rs.1,09,44,828-00 is due from the Contractor against the principle amount advanced towards mobilization, machinery and material with interest upto 31.5.2008.

9. Government after careful examination of the entire issue here by accord sanction for payment of Rs.5,34,46,332-00 to M/s International Construction Company along with interest @ 9.7% on the principle amount due to contractor towards conciliation and settlement of claims in Arbitration awards dated.26.2.1989 and 14.5.1989 as ordered by the High Court of Andhra Pradesh through reference 1st read above. For any delay in making payment after 31.5.2008 the rate of interest @ 9.7% till the actual payment shall be payable to the Contractor, M/s International Construction Company, Kakinada.

10. In the reference 7th read above, Finance (Expdr.AHFF&CE) Department issued Budget Release Order sanctioning an amount of Rs.5,34,47,000/- (Rupees Five crores thirty four lakhs forty seven thousand only) in relaxation of quarterly regulations orders during the year 2008-09 debiting the expenditure for the following Head of Account:-

4405-Capital outlay on Fisheries-
104- Fishing Harbour and Landing Facilities
GH 11-Normal State Plan
SH (05) Fishing Harbour (to be opened)
530- Major works-
531- Other Expenditure by re-appropriation of funds”

11. The Commissioner of Fisheries, Andhra Pradesh, Hyderabad is authorized to draw the amount of Rs.5,34,46,332-00 and deposit the same with the Director of Ports, Kakinada for making payment to the Contractor M/s International Construction Company, Kakinada.

12. The Government also direct the Director of Ports, Kakinada to deduct an amount of Rs.1,09,44,828-00 upto 31.5.2008 with further interest if any from 1.6.2008 on the principle amount advanced to M/s International Construction Company, Kakinada as per the contractual provisions of the agreement from the above amounts payable to the contractor.

13. The Director of Ports, Kakinada is requested to pay an amount of Rs.4,25,01,504/- to the M/s International Construction Company, Kakinada and he is directed to prefer an adjustment bill crediting the balance amount as per para 12 above under the following Head of Accounts towards mobilization advances etc., sanctioned to M/s International Construction Company.

PRINCIPLE: Rs.31,42,596/-

4405-Capital outlay on Fisheries-
104- Fishing Harbour and Landing Facilities
GH 11-Normal State Plan-
SH(96) Deduct Receipts and Recoveries on
Capital Account

INTEREST: Rs.78,02,232/-

0049-Interest Receipts-
04- Interest Receipts of State Government
800-Other Receipts-
SH(22) Miscellaneous Interest Receipts.

14. The Director of Ports, Kakinada and the Commissioner of Fisheries, Hyderabad shall take necessary action for making payment and recovery of amounts as ordered in para 9 and 10 above and report compliance.

15. This order issues with the concurrence of Finance (Expdr.AH&F) Department vide their U.O.No.20187/260/A1/Expdr.AHF/08, Dated.22.7.2008.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.PRIYADARSHI DASH
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To

The Commissioner of Fisheries, Hyderabad.
The Director of Ports, Kakinada, East Godavari District.
The Managing Partner, M/s International Construction
Company, Kakinada through the Director of Ports, Kakinada.
East Godavari District.

Copy:

The District Treasury Officer, Kakinada, East Godavari District.
The Director of Treasuries & Accounts, Hyderabad.
The Registrar of High Court of A.P. with reference to High Court
orders dt.12.7.2007 in CMA No.1664/1990, CMA No.1331/2000,
CRP No.2012/2000 and CMA No.1665 of 1990
SF/SC.

//FORWARDED BY ORDER//

SECTION OFFICER